

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: Contract Award for Solid Waste and
Recycling Rate Analysis and Other Related
Services

FOR AGENDA OF: 03-29-11 **BILL NO:** 11055

Mayor's Approval: RMC (MAY)

DEPARTMENT OF ORIGIN: Mayor's Office

DATE SUBMITTED: 03-21-11

CLEARANCES: City Attorney UBK
CAO RMC
Purchasing SRM
Finance Adams

PROCEEDING: CONSENT AGENDA
(CONTRACT REVIEW BOARD)

EXHIBITS: 1. Request for Proposal
2. Bell and Associates Proposal

BUDGET IMPACT

EXPENDITURE	AMOUNT	APPROPRIATION
REQUIRED \$16,640	BUDGETED \$20,000	REQUIRED \$0

*Account Number 001-10-0657-511 General Fund - Mayor's Programs - Community Events - Professional Services Account. As explained below, the proposed contract is for up to five one-year periods with the amounts shown under Expenditure Required and Amount Budgeted representing the first year's services. The four additional years are contingent upon budget approval for FY 2011-12 through FY 2015-16.

RECOMMENDED ACTION:

Council acting as Contract Review Board, (1) award a contract to Bell and Associates of Camas, Washington, in the amount of \$16,640 in a form approved by the City Attorney to complete an annual rate of return study, an on-site review of two franchised haulers, and provide basic solid waste consulting services for Fiscal Year 2010-11 and (2) authorize City staff to extend the contract for up to four additional years based on Council's future approval of the FY 2011-12 through FY 2015-16 Budgets.

HISTORICAL PERSPECTIVE:

Every year, waste haulers submit an annual report to the City detailing financial and operational information that serves as a basis for setting customer pricing and assuring franchise haulers a fair rate of return for solid waste and recycling collection. The annual reports are financial in nature and are thoroughly reviewed and analyzed by the City with the assistance of a Certified Public Accountant (CPA) who has familiarity and expertise in the area of solid waste and recycling business operations.

The analysis helps to determine if the targeted financial rates of return that haulers expect to earn for their business are being met in the most cost effective manner for Beaverton residents. The review mainly entails the validation and analysis of the financial and operational information submitted on the waste haulers' annual reports and the preparation of recommendations for any needed adjustment to the customer pricing and/or the target rates of return for solid waste and recycling collection.

INFORMATION FOR CONSIDERATION:

On March 2, 2011, the City advertised a Request for Proposals (RFP) in the Daily Journal of Commerce seeking a qualified individual or firm to conduct an annual review and analysis of the solid

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waste and recycling haulers' reports. If awarded, the contract will be for a one-year term, renewable for up to four additional one-year renewal terms.

The annual scope of work will be to complete a rate of return analysis for Beaverton's seven franchise haulers, conduct an in-depth on-site financial review of two haulers each year and provide basic waste and recycling franchise consulting services as needed. The composite rate of return analysis will provide the City with data to assure the target operating margin is met and that reasonable and fair rates are set for residents and businesses.

Twenty-two firms registered with the City as plan holders to review the RFP, but only one firm responded with a proposal. The proposal review committee discussed whether the RFP should be